

The Arabian Horse Society of Australia Limited

ABN 12 001 281 590

Annual Report - 31 December 2025

The Arabian Horse Society of Australia Limited

Contents 31 December 2025

Directors' report	2
Auditor's independence declaration	9
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	24
Independent auditor's report to the members of The Arabian Horse Society of Australia Limited	25

The Arabian Horse Society of Australia Limited
Directors Report
31 December 2025

The directors present their report, together with the financial statements, on the company at the end of, or during the year ended 31 December 2025.

Directors

The following persons were directors of The Arabian Horse Society of Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Y Downes (Chairperson)
- J Willoughby (Senior Vice Chairperson)
- K Frame
- A King (Former Senior Vice Chairperson)
- C Potts (Former Junior Vice Chairperson)
- R Strahan (Junior Vice Chairperson – Appointed 30 July 2025)
- N Shegog (Appointed 28 June 2025)
- R Collyer (Appointed 16 June 2025)
- V Crosland (Appointment Ended 31 May 2025)
- K Aldridge (Resigned 31 May 2025)
- K Dyball (Resigned 31 May 2025)
- S Hungerford (Resigned 31 May 2025)
- H Rutland (Chairperson – Resigned 31 May 2025)
- G Smith (Chairperson – Appointed 5 June 2025. Resigned 16 December 2025)

Principal Activities

The principal activities of The Arabian Horse Society of Australia Limited during the financial year were maintenance of breed purity coupled with promotions amid improving the popularity of the Arabian Horse in Australia, the compilation and the maintenance of the Stud Books, Registers and records of pure-bred Arabian horses and their derivatives and the publication of the Arabian Horse News along with the distribution of a member's newsletter the member's bulletin.

No significant changes in the nature of the entity's activity occurred during the financial year.

Objectives

The company's short-term objectives are:

- To maintain a Purebred Stud Book and the Derivative Registers and Arabian Performance Index
- To participate in promotional events involving the wider community
- To promote and assist in the production of shows
- To encourage the training and education of judges for Arabian shows
- To involve youth with Arabian horses
- To encourage other breed registries to become involved with the AHSA

The Arabian Horse Society of Australia Limited
Directors Report
31 December 2025

Information on directors

Name:	Yvonne Downes
Title:	Director – Chairperson (Appointed 20 November 2025)
Qualifications:	St Johns First Aid Certificate
Experience and expertise:	<p>Arabian Horse Society of Australia (AHSA) member since 1973. AHSA Life Member since 2021. Founder, co-owner and manager of Ennovyar Arabians since 1973. Breeding Purebred Arabians, Partbred Arabians, Anglo Arabians, and Arabian Warmbloods. AHSA National Panel judge. Equestrian Australia (EA) accredited Dressage and Show Horse judge. Pony Club Tasmania (PCT) accredited dressage, riding, show horse and showjumping judge. Equestrian Australia and Pony Club Australia accredited riding coach. Former President of Tasmanian Crabbet Arabian Group. Past Secretary of Tas. ARABS Inc. Past Secretary of Burnie Show Horse Committee.</p> <p>Founder and former Secretary of SCARABS (NSW) for over 20 years. Training horses and riders to state and Aust. Championship level. Starting all types of horses and ponies under saddle and in harness. Former teacher of Equine Studies at TAFE NSW (Shellharbour and Yallah). Former Disability Officer at Centrelink. Former Disability Adviser at Commonwealth Employment Service.</p>
Special responsibilities:	Chair of the Board - Member of all Committees and Sub-Committees.

Name:	Jillian Willoughby OAM
Title:	Senior Vice Chairperson
Experience and expertise:	<p>Owner and breeder of Purebred Arabians with family since 1988. Previously involvement with Pony Clubs in various positions. Current Chairman of Western Australian Arabian Horse Association. Government employee for 36 years, rising through the ranks. 12 months ago, resigned from 16-year full-time CEO/Manager of two not-for-profit organisations and have purchased a regional business. Various committee positions, including Chairman and other Executive roles with local and broader Community Organizations. Recipient of an OAM in 2022.</p>
Special responsibilities:	Member of Finance sub-committee and Child Welfare.

Name:	Kerry Frame
Title:	Director
Qualifications:	<p>Bachelor Arts Degree ANU Certificate 1V in Advanced Business management Certificate 1V in Graphic Design and Media</p>
Experience and expertise:	<p>Former President and Secretary of Inland Arabians Inc., ABARA Inc, Midstate Arabians Inc. and ACT Palomino Assoc. Current Vice President of Arabian Horse Connection.</p>
Special responsibilities:	Chair of the Youth Sub-Committee and member of the AANC and Promotions Sub-Committees.

The Arabian Horse Society of Australia Limited

Directors Report

31 December 2025

Information on directors (continued)

Name:	Adam King
Title:	Director –Former Senior Vice Chairperson, Company Secretary and Former Treasurer
Experience and expertise:	Owner/Director of King Estate International founded in 1981. Consulting, breeding and training Arabian horses and other breeds for over 40 years. AHSA National Panel judge. Former President of NSW AHA Inc. Former Branch Manager Rural Agribusiness for 13+ years in the Sydney Basin.
Special responsibilities:	Former Senior Vice Chair of the Board. Chair of the Finance Sub-Committee. Former Chair of the Affiliate Sub-Committee. Registry Sub-Committee. AANC Sub-Committee. Blue Card services.

Name:	Carolyn Potts
Title:	Director – Former Vice Chairperson (appointed 11 May 2024)
Qualifications:	Formal qualifications in Marketing, Promotions, Public Relations, and Company Directorship, and currently undertaking studies (part time) in Corporate and Business Law.
Experience and expertise:	Involved in showing, judging, exhibiting and breeding Arabians since the 1960's and still currently breed and exhibit purebreds. I am also a International Hound judge and breeder of Salukis. My work as a Marketing Consultant has seen the creation and implementation of many successful marketing and promotional campaigns that have received worldwide recognition. My business career has included Marketing Manager for the Westfield Group, and CEO and Company Secretary for a SA company with a weekly turnover of \$2.4m. I have also held senior executive positions with Event Management companies involved in major sporting events, including the Australian Grand Prix, Adelaide International Tennis, and Australian Open Golf. South Australian representative on the AHSA Judges Organising Committee, acting as JOC Secretary, which includes updating the AHSA website, and Judges email Newsletter.
Special responsibilities:	Former Vice Chair of the Board, Former JOC Sub-Committee and Secretary.

Name:	Roderick Strahan
Title:	Junior Vice Chairperson (Appointed 30 July 2025)
Qualifications:	Masters Degree of Agricultural Economic Studies Post Graduate Diploma of Agricultural Economic Studies Bachelor of Leisure Studies
Experience and expertise:	Employed by the Queensland Government since 1997 in the role of Agricultural Economist. Current Position Economics Manager, Department of Primary Industries. A member of the Queensland Endurance Riders Association since 1988 and served on the State Management Committee for 3 x 2 year terms, currently Vice President. Owner/ Manager of Shardell Arabian Stud. Breed horses for endurance competition and compete myself. Usually run between 70 to 85 horses and have bred over 260 horses and exported around 130 horses.
Special responsibilities:	Board Member and Member of the Finance and the Endurance Sub Committees.

The Arabian Horse Society of Australia Limited

Directors Report

31 December 2025

Information on directors (continued)

Name:	Nikki Shegog
Title:	Director (Appointed 28 June 2025)
Qualifications:	Diploma from University of Melbourne Horse Management Diploma in breeding and reproduction CSU.
Experience and expertise:	Breeder and member of the AHSA Ltd for 36 years. Manager and owner of Touens Park Arabians stud farm. Former manager of Royal T Arabians LLC in Arizona USA. Former Program Directors Assistant for 3KZ.
Special responsibilities:	Member of the Promotions & Events Sub-Committees

Name:	Richard Collyer
Title:	Director (appointed 16 June 2025)
Experience and expertise:	Owner and founder of Ugarapul Arabians and Totara Endurance Horses, established in 1975. Breeder of Arabian Horses and member of the AHSA for 50 years. AHSA Level One Judge. Pony Club Qld Instructor. High school teacher (Education Qld) from 1976 to 2022. President of Qld Endurance Riders Association: 2000 – 2005; 2019 – 2026 (current). President Fassifern Horse and Pony Club: 1995 – 2005. Chief Horse Steward Boonah Show Society: 1992 – 2000. Ride Director Tom Quilty Gold Cup: 2000 and 2006. Chief Steward Tom Quilty Gold Cup: 2023. Life member: Fassifern Horse and Pony Club. Life member: Qld Endurance Riders Association.
Special responsibilities:	Member of Sub-Committees for Endurance, Horse Welfare, Member Protection.

Name:	Vanessa Crosland
Title:	Director (Appointment ended 21 May 2025)
Qualifications:	Bachelor of Commerce, Chartered Accountant
Experience and expertise:	Retired from PricewaterhouseCoopers after 36 years of experience, including 22 as a partner, Treasurer of Social Health Australia Limited from 2020 to 2024, Chair of the Arabian Horse Breeders Alliance of Australasia Inc from 2018 and Board member from 2011. Member of the Arabian Horse Society Ltd for over 35 years and founder of Syrah Arabians in 1992.
Special responsibilities:	Former member of the Finance Committee

Name:	Kerryn Aldridge
Title:	Director – Former Junior Vice Chairperson (resigned 31 May 2025)
Qualifications:	Certificate IV in Business-Franchising
Experience and expertise:	Recently retired, former Network Manager (Compliance, Brand Management and Development) for over 35 years. Arabian Horse owner for 50 years, breeding Arabian horses since 1988. Former Vice President of Victorian Arabian & Derivative Breeders & Owners Alliance. Various committee positions with local Arabian Horse Group.
Special responsibilities:	AANC Advisor

The Arabian Horse Society of Australia Limited
Directors Report
31 December 2025

Information on directors (continued)

Name:	Kym Dyball
Title:	Director (Resigned 21 May 2025)
Experience and expertise:	I have been a professional breaker and trainer since the age of 14 and have been breeding Arabians for 25 yrs. I am a National panel judge. I am on AHSQ and run the Qld Arabian youth group.
Special responsibilities:	Former member of the JOC, Youth and Championships Sub-Committees.

Name:	Sharyn Hungerford
Title:	Director (Resigned 21 May 2025)
Experience and expertise:	Breeder of Arabians & Arabian Derivatives with her family for over 40 years, with the aim to produce performance horses. AHSA National Panel judge. 1st Dan Blackbelt and Martial Arts Instructor. Previously worked as Senior Bookkeeper and Office Manager. Has been involved with a number of committees, been involved with a variety of breeds and been on numerous judging panels.
Special responsibilities:	Former Chair of JOC Sub-Committee, Former Member of Junior Development & Events Sub-Committees.

Name:	Helen Rutland (Skinner)
Title:	Director – Former Chairperson (Resigned 21 May 2025)
Qualifications:	B.A, (Hons 1) UNSW, Dip Ed, Master Clinical Psychology (Macquarie Uni), Grad Dip Psychological Medicine (Sydney Uni), MAPS.
Experience and Expertise:	Owner and founder of Valinor Park Arabians established in 1979. Principal of Helen Rutland and Associates – Clinical Psychology Practice established in 1988. Director and Treasurer of Arabian Horse Breeders Alliance of Australasia Inc. Former Director of Rutland Promotions P/L, Knightsbridge Family Trust, Helen Ridge Investments and Broughton Vale Pastoral Co. Former Chair of Australian Psychological Society.
Special Responsibilities:	Former Chairperson of the Board – Former Member of all Committees and Sub-Committees. Former Member of the Finance, Endurance & Arabian Racing, AANC and JOC Sub-Committees.

Name:	Graham Smith
Title:	Director (resigned 16 December 2025)
Experience and expertise:	Various high level Senior Executive and corporate roles as well as Board positions with the Commonwealth Treasury, Royal Australian Mint and National Museum of Australia. Treasury liaison officer to the Assistant Treasurer. Member Australian Institute of Company Directors (AICD) for over 25 years. Partial completion of BA Political Science, ANU. Numerous Commonwealth Corporate Governance and AICD training courses over 35+ years. Active involvement for over 5 decades with Arabian horses as a National/International judge (having judged at most of the world’s leading shows), volunteered in many roles with a range of Arabian clubs as show secretary, publicity officer and various committee member positions. Previously served as a Board member of the AHSA including being Chair of the Judges and Officials Committee. Served as a Board member (community liaison) with the Canberra Showground. Continue to serve on several not-for-profit community health (Organ and Tissue) Boards.
Special responsibilities:	Former Chairperson of the Board, Former Member of Committees and Sub-Committees.

The Arabian Horse Society of Australia Limited
Directors Report
31 December 2025

Information on directors (continued)

Name:	Jody Pickering
Title:	Treasurer (Board Appointed)
Qualifications:	Bachelor of Business in Accounting and Human Resource Management, Chartered Accountant, Registered Tax Agent and a Certificate in public practice
Experience and expertise:	24 years experience as a taxation accountant, 8 years as a practicing partner. Treasurer of Bendigo and District Family Equestrian group from 2012 to current. Treasurer of the Maldon Pony Club from 2015 to 2025. Committee member of the Victorian Equestrian Interschool Series 2022 to current. Owner and breeder of Arabian horses under the banner of Cazna’s County Arabians for 28 years.
Special responsibilities:	Treasurer

Meetings of directors

The number of meetings of the company’s Board of Directors ('the Board') held during the year ended 31 December 2025, and the number of meetings attended by each director were:

	Number eligible to attend	Number attended
Yvonne Downes	19	19
Jillian Willoughby	19	17
Kerry Frame	19	14
Adam King	19	18
Carolyn Potts	19	19
Roderick Strahan	8	8
Nikki Shegog	9	8
Richard Collyer	10	9
Vanessa Crosland	8	7
Kerryn Aldridge	8	6
Kym Dyball	8	6
Sharyn Hungerford	8	6
Helen Rutland	8	8
Graham Smith	8	8

Held: represents the number of meetings held during the time the director held office.

Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company.

At 31 December 2025, the total amount that members of the company are liable to contribute if the company wound up is \$33,640 (2024: \$36,940).

The Arabian Horse Society of Australia Limited
Directors Report
31 December 2025

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Adam King
Director /Company Secretary



Yvonne Downes
Director / Chair

Dated: 01/05/26

BRADFIELD PARTNERS
CHARTERED ACCOUNTANTS

**Auditors Independence Declaration
under Section 307C of the Corporations Act 2001**

**To the Directors of the Arabian Horse Society of Australia Limited
A.B.N. 12 001 281 590**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bradfield Partners

Bradfield Partners



Benjamin Schulz
Partner

Dated: 1 May 2026
Sydney

The Arabian Horse Society of Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue	4	609,077	575,403
Directors		-	(804)
Events – championships		(125,706)	(105,888)
Insurance		(67,063)	(64,116)
JOC		(49)	(739)
Testing		(32,443)	(31,641)
WAHO		(7,218)	(5,509)
Employee remuneration		(217,701)	(214,846)
Administration costs		(198,917)	(188,980)
Total Expenses		<u>(649,097)</u>	<u>(612,523)</u>
Surplus/(Deficit) before income tax expense		(40,020)	(37,120)
Income tax expense	2(c)	-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members of The Arabian Horse Society of Australia Limited		(40,020)	(37,120)
Other Comprehensive income for the year, net of tax			
- Fair value movements on investments held at Fair Value through Other Comprehensive Income (FVOCI)	13	35,686	74,409
Total comprehensive income for the year attributable to the members of The Arabian Horse Society of Australia Limited		(4,334)	37,289

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Arabian Horse Society of Australia Limited
Statement of financial position
As at 31 December 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	168,018	194,342
Trade and other receivables	6	25,985	28,761
Inventories	7	10,850	12,390
Other	8	62,504	64,779
Total current assets		267,357	300,272
Non-current assets			
Investments and other financial assets	9	593,159	557,472
Property, plant and equipment	10	595,751	593,423
Total non-current assets		1,188,910	1,150,895
Total assets		1,456,267	1,451,167
Liabilities			
Current liabilities			
Trade and other payables	11	165,557	165,590
Employee entitlements	12	96,046	86,579
Total current liabilities		261,603	252,169
Total liabilities		261,603	252,169
Net assets		1,194,664	1,198,998
Equity			
Reserves	13	133,730	98,044
Retained surpluses		1,060,934	1,100,954
Total equity		1,194,664	1,198,998

The above statement of financial position should be read in conjunction with the accompanying notes

The Arabian Horse Society of Australia Limited
Statement of changes in equity
For the year ended 31 December 2025

	Retained surpluses	Financial asset reserve	Total equity
	\$	\$	\$
Balance at 1 January 2024	1,138,074	23,635	1,161,709
Deficit for the year	(37,120)	-	(37,120)
Gain/(loss) on fair value of investments	-	74,409	74,409
Transfer from reserves	-	-	-
Balance at 31 December 2024	1,100,954	98,044	1,198,998
Deficit for the year	(40,020)	-	(40,020)
Gain/(loss) on fair value of investments	-	35,686	35,686
Transfer from reserves	-	-	-
Balance at 31 December 2025	1,060,934	133,730	1,194,664

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Arabian Horse Society of Australia Limited
Statement of cash flows
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		647,848	617,947
Payments to suppliers and employees		(685,722)	(617,841)
Interest received		671	1,480
Investment income received		18,644	19,657
Net cash from/(used in) operating activities	17	(18,559)	21,243
Cash flows from investing activities			
Payments for property, plant and equipment		(7,766)	-
Net cash from/(used in) investing activities		(7,766)	-
Net cash from/(used in) financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		194,342	173,099
Cash and cash equivalents at the end of the financial year	5	168,018	194,342

The above statement of cash flows should be read in conjunction with the accompanying notes

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 1: General information

The financial statements cover The Arabian Horse Society of Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is The Arabian Horse Society of Australia Limited's functional and presentation currency.

The Arabian Horse Society of Australia Limited ('the Company') is a not-for-profit unlisted public company limited by guarantee.

The registered office for the Company is:

Unit 12 40 Bowman St
Richmond NSW 2753

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 May 2026.

Note 2: Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board as they apply to not-for-profit entities and the disclosure requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

b. Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 2: Material accounting policy information (continued)

b. Revenue recognition (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability

Sales of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Rendering of services revenue is recognised upon the delivery of the service to the customers.

Subscription income from members is recognised over the period of the subscription. The subscription year is January to December, which is in line with the company's financial year. Income received before year end for the subsequent year is reflected as revenue in advance

DNA fees in advance are recognised after twelve months have passed and no DNA has been processed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument

Dividends and distributions

Refer Investments and other financial assets Note 2(h).

Other revenue

Other revenue is recognised when it is received or when the right to receive the payment is established.

c. Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income.

d. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 2: Material accounting policy information (continued)

f. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

g. Inventories

Inventories are measured at the lower of cost and net realisable value.

h. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

On initial recognition, the company classifies its financial assets into the following categories, those measured at:

- amortised cost;
- fair value through other comprehensive income – equity instrument (FVOCI – equity)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Fair value through other comprehensive income – equity instruments

The company has a number of strategic investments in listed entities over which they do not have significant influence nor control. The company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trade purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (FVOCI reserve). On disposal any balance in the reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends and distributions are recognised as income in profit or loss unless the dividend or distribution clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income (OCI).

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 2: Material accounting policy information (continued)

h. Investments and other financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

i. Property, plant and equipment

Land and buildings are shown at cost less subsequent depreciation and impairment for buildings. Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated using the depreciation rates as follows:

Building improvements	2.5% (straight line)
Plant and equipment	10%-66% (diminishing)
Computer equipment and software	25% - 50% (diminishing)
Property	20% (diminishing)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

j. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured.

k. Employee entitlements

Short-term benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Other long-term employee benefits

Employee benefits payable later than one year have been measured at the nominal amount payable for employees with greater than five years' service. The directors are of the view that this basis of measurement would not differ materially if the benefits payable had been measured at the present value of the estimated future cash outflows to be made for those benefits.

l. Lease accounting

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial indirect costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with impairment of assets accounting policy

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 2: Material accounting policy information (continued)

l. Lease accounting (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost, using the effective interest rate method. The lease liability is remeasured if there is a modification in the lease such as a change in the estimated lease term or value of lease payments.

Exceptions to lease accounting

The company has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. The company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term

m. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

n. Good and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

o. Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 3: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in Note 2(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 4: Revenue	2025	2024
	\$	\$
<i>Sales Revenue</i>		
Judges & Officials Committee - JOC	68	45
Contracts - riding pony	65,426	56,282
Events - Australian championships	127,182	111,963
Insurance	7,284	7,843
Membership	202,611	216,597
Merchandise	565	673
Registry	134,708	120,313
Testing	37,159	32,691
	<u>575,003</u>	<u>546,407</u>
<i>Other revenue</i>		
Interest	671	1,480
Investments	21,385	20,992
Advertising	10,377	5,418
Other income	1,641	1,106
	<u>34,074</u>	<u>28,996</u>
Revenue	<u>609,077</u>	<u>575,403</u>
Note 5: Cash and cash equivalents	2025	2024
	\$	\$
Cash on hand	108	200
Cash at bank	167,910	194,142
	<u>168,018</u>	<u>194,342</u>
Note 6: Trade and other receivables	2025	2024
	\$	\$
Trade Receivable	7,311	-
Other receivables	15,931	24,938
Distribution receivable	2,741	3,823
	<u>25,985</u>	<u>28,761</u>
Note 7: Inventories	2025	2024
	\$	\$
Inventory	27,792	31,737
Less: provision for impairment	(16,942)	(19,347)
	<u>10,850</u>	<u>12,390</u>
Note 8: Other current assets	2025	2024
	\$	\$
Prepayments	62,504	64,779
	<u>62,504</u>	<u>64,779</u>

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 9: Investments and other financial assets

	Note	2025	2024
		\$	\$
Non-current			
Equity securities – at fair value through other comprehensive income	(a)	593,159	557,472
		<u>593,159</u>	<u>557,472</u>

(a) The investments are classified as non-current as the Company does not expect to realise the funds within the next 12 months.

Note 10: Property, plant and equipment

	2025	2024
	\$	\$
Land and buildings – at cost	489,654	489,654
Building improvements – at cost	131,214	125,514
Less: accumulated depreciation	(35,214)	(32,060)
	<u>96,000</u>	<u>93,454</u>
Plant and equipment – at cost	74,284	74,066
Less: accumulated depreciation	(65,548)	(64,406)
	<u>8,736</u>	<u>9,660</u>
Computer equipment and software	175,552	231,759
Less: accumulated depreciation	(174,191)	(231,104)
	<u>1,361</u>	<u>655</u>
Total property, plant and equipment	<u>595,751</u>	<u>593,423</u>

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment for the Company are as follows:

	Land and Building	Building improvements	Plant and Equipment	Computer equipment and software	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	489,654	93,454	9,660	655	593,423
Additions	-	5,700	218	1,849	7,766
Disposals	-	-	-	-	-
Depreciation expense	-	(3,154)	(1,142)	(1,142)	(5,438)
Carrying amount at end of the year	489,654	96,000	8,736	1,361	595,751

Property valuation

The property at 12/40 Bowman Street, Richmond was independently valued by Lynette Savage Valuations on 31 December 2024 with a fair value of \$1,100,000, which exceeds the carrying cost amounts of land and buildings and building improvements at 31 December 2025. The directors reviewed the key assumptions of this valuation and determined this class of assets was not impaired at year end.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 11: Payables	Note	2025	2024
		\$	\$
Trade payables		60,565	53,489
Other payables		23,361	30,471
Revenue in advance		81,632	81,630
		165,557	165,590

Note 12: Employee entitlements		2025	2024
		\$	\$
<i>Current</i>			
Annual leave		35,272	30,356
Long service leave		60,774	56,223
		96,046	86,579

Note 13: Equity - reserves	Note	2025	2024
		\$	\$
Financial asset reserve	(a)	133,730	98,044
		133,730	98,044

(a) Financial asset reserve

The financial asset reserve records movements in the fair value at year-end of financial assets designated at fair value through other comprehensive income.

Note 14: Financial risk management

The company's financial instruments consist of deposits with banks, accounts receivables, equity securities and payables.

Note 15: Contingent liabilities

There are no contingent liabilities at year-end.

Note 16: Capital and leasing commitments		2025	2024
		\$	\$
<i>Lease commitments - operating</i>			
Committed at the reporting date:			
Within one year		5,124	5,124
One to five years		10,247	15,371
		15,371	20,495

The operating leases represent leases payable on printing equipment. The lease term is 5 years. The previous lease expired during 2024, and a new lease was entered into.

The Arabian Horse Society of Australia Limited
Notes to the Financial Report
31 December 2025

Note 17: Reconciliation of surplus to net cash from operating activities	2025	2024
	\$	\$
Surplus/(deficit) of the year	(40,020)	(37,120)
<i>Non-cash flows in operating surplus/(deficit):</i>		
Depreciation	5,438	5,274
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	2,776	(6,932)
Decrease/(increase) in inventories	1,540	1,390
Decrease/(increase) in prepayments and other current assets	2,275	19,002
(Decrease)/increase in trade and other payables	(34)	33,948
(Decrease)/increase in employee entitlements	9,466	5,681
Net cash from/(used in) operating activities	(18,559)	21,243

Note 18: Related party transactions and key management personnel disclosures

During the financial year, Mr Adam King was remunerated in his capacity as an employee of the Company. The remuneration was provided on normal commercial terms and conditions, consistent with remuneration provided to other employees in similar roles.

King Estate was engaged to provide secretariat and corporate administration services. On the 1st October 2025 an agreement with Mr Adam King was formalised to provide these services. The amounts paid to King Estate and Mr Adam King in for these services was \$29,659 (2024: \$1,305).

All other members of the Board act in an honorary capacity and receive no remuneration or other benefits for their services as directors.

Board members may be reimbursed for expenditure incurred in the conduct of their official duties.

During the year, total director-related expenses paid by the company amounted to \$0 (2024: \$804).

All of these transactions were on normal commercial terms and conditions.

Note 19: Auditor remuneration	2025	2024
	\$	\$
Remuneration of the auditor of the Company, Bradfield Partners, for: Auditing and assisting with the preparation of the financial report	16,557	15,400
	16,557	15,400

Note 20: Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 21 : Company details

The registered office of the company is:

The Arabian Horse Society of Australia Limited
Unit 12, 40 Bowman Street
Richmond NSW 2753

The Arabian Horse Society of Australia Limited
Directors Declaration
31 December 2025

The Directors of the Company declare that

1. The Financial Statements and Notes, being the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes of equity, statement of cashflows and notes to the financial statements, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures and applicable to the company; and
 - b. give a true and fair view of the company's financial position as at 31 December 2025 and of its performance and cash flows for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors



Adam King
Director / Company Secretary



Yvonne Downes
Director /Chair

Dated: 01/05/26

BRADFIELD PARTNERS

CHARTERED ACCOUNTANTS

Independent Auditor's Report
To the Members of the Arabian Horse Society of Australia Ltd
ABN 12 001 281 590

Report on the Audit of the Financial Report

We have audited the financial report of The Arabian Horse Society of Australia Ltd (the Company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policy information and other explanatory notes and the directors' declaration.

In our opinion, the financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on the same date as this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Information

The directors are responsible for the other information, being the information in the Directors' Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Bradfield Partners

Bradfield Partners

A handwritten signature in blue ink, appearing to read "Benjamin Schulz".

Benjamin Schulz

Partner

Dated: 1 May 2026

Sydney